



**BOARD OF DIRECTORS REPORT TO
THE EXTRAORDINARY SHAREHOLDERS MEETING
OF
SAFILO GROUP S.P.A.
CONVENED FOR
JULY 30, 2021 IN SINGLE CALL**

This document and the information contained herein does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase or subscribe for securities, in the United States of America, Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would require the approval of local authorities or otherwise be unlawful (the "Other Countries"). Any public offering will be conducted in Italy pursuant to a prospectus, duly authorized by Consob in accordance with applicable regulations. Neither this document nor any part of it nor the fact of its distribution may form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto. The securities referred to herein have not been registered and will not be registered in the United States of America under the U.S. Securities Act of 1933, as subsequently amended (the "Securities Act"), or pursuant to the corresponding regulations in force in the Other Countries. The securities may not be offered or sold in the United States of America except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offering of securities in the United States of America. The distribution of this document in certain countries might be forbidden pursuant to the law.

This document contains certain forward-looking statements, estimates and forecasts reflecting management's current views with respect to certain future events. Forward-looking statements, estimates and forecasts are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the issuer's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Safilo Group (the "Group") participates or plans to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The issuer's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions. All forward-looking statements included herein are based on information available as of the date hereof. No undertaking or obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law is accepted.

This illustrative report is made available to the public at the registered office of Safilo Group S.p.A. in Padua - Settima Strada no. 15, on the Safilo Group S.p.A. website <https://www.safilogroup.com/en/governance/shareholders-meeting> and on the authorised storage mechanism 1INFO.

ILLUSTRATIVE REPORT DRAWN UP BY THE DIRECTORS PURSUANT TO ARTICLE 125—TER OF LEGISLATIVE DECREE No. 58 of 24 FEBRUARY 1998 AND ARTICLE 72 AND ANNEX 3A TO CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS, REGARDING THE ONLY ITEM ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS MEETING CONVENED FOR JULY 30, 2021 IN SINGLE CALL.

AGENDA

1. Share capital increase for consideration and divisibly, up to a maximum amount of Euro 135 million including any share premium, through the issue of new ordinary shares without any indication of par value, having regular dividend entitlement, to be offered in option to the Company's shareholders pursuant to Article 2441, subsections 1, 2 and 3 of the Italian Civil Code. Subsequent amendments of the Company Bylaws; related and consequent resolutions.

Dear Shareholders,

with this report (the “**Report**”) we illustrate the item on the agenda of the extraordinary Shareholders Meeting of Safilo Group S.p.A. (“**Safilo**” or the “**Company**”), convened on July 30, 2021 at 10:00, in single call (the “**Shareholders’ Meeting**”).

The purpose of this Report is the proposal to increase the share capital for consideration, up to a maximum amount of Euro 135 million, including any share premium, to be performed divisibly, by and not later than 30 April 2022, through the issue of new ordinary shares without any indication of par value with the same characteristics as those already issued, to be offered in option to the Company’s shareholders pursuant to Article 2441, subsections 1, 2 and 3 of the Italian Civil Code (“**Share Capital Increase**”).

As regards the proposed Share Capital Increase, a prospectus prepared in accordance with the applicable regulation (the “**Prospectus**”) must be drafted and, subject to Consob’s prior approval, published.

1 Reasons and allocation of the capital increase

The Share Capital Increase for a maximum of Euro 135 million, which is submitted to your approval is aimed at (i) the redemption of the unsecured and subordinated facility, having a maturity date on December 31, 2026, entered into on February 6, 2020 between Safilo S.p.A. and Multibrands Italy B.V. (“**Multibrands**”), a subsidiary of HAL Holding NV (“**HAL**”) and main shareholder of Safilo, and subsequently amended on September 14, 2020 (the “**Multibrands Facility**”), granted in a total original principal amount of Euro 90 million, together with the related capitalised interests (equal to approximately Euro 6.5 million as at June 30, 2021) and any additional interests accrued until the date of redemption; and (ii) to further strengthen the Groups capital structure .

In particular, as already communicated in the information document that was lastly updated on September 21, 2020, the Multibrands Facility was granted to the indirect subsidiary Safilo S.p.A. that, by means of intragroup transactions, provided Safilo America with the necessary funds to complete the acquisitions of a shareholding equal to 61.34% of the capital of Prive Goods LLC and a shareholding equal to 70% of the capital of Blenders Eyewear LLC by Safilo America. The original maturity of the Multibrands Facility was extended from 2023 to December 31, 2026 in the context of the entry by Safilo S.p.A., on September 15, 2020, into a new Euro 108 million facility guaranteed by SACE S.p.A. pursuant to Law Decree 23/2020 with maturity date on June 30, 2026, aimed at providing Safilo S.p.A. with additional liquidity to finance working capital and investment needs for activities located in Italy, supporting the business in a period still characterized by a high level of uncertainty surrounding the recovery of the industry following the first part of the Covid-19 pandemic.

Taking into account the performance of the business and the market situation, the Board of Directors believes that the conditions exist to carry out a transaction which would enable the redemption of the Multibrands Facility, leading to a substantial reduction of the financial charges for interest expenses, currently equal to 9% annually (capitalizable) for each year of the residual duration of the financing. As of June 30, 2021, the outstanding amount of the Multibrands Facility is equal to approximately Euro 96.5 million (including the capitalised interests).

The residual part of the proceeds of the Share Capital Increase (net of costs of the Shares Capital Increase, which on a preliminary basis have been estimated at about Euro 3 million) will be aimed at strengthening the capital structure as well as supporting its investments and drivers of future growth, including new opportunities that may come available in the sector.

2 Analysis of the structure of the Company's net financial indebtedness

The following tables illustrate the structure of the Company's and Group's net financial indebtedness in the short and medium/long term as of March 31, 2021, December 31, 2020 and June 30, 2020.

Company's short and medium/long term net financial indebtedness

Net financial position <i>thousands of Euro</i>	March 31, 2021	December 31, 2020	June 30, 2020
A Cash and cash equivalents	1.283	3.054	911
B Cash and cash equivalents included as Assets held for sale	-	-	-
C Current securities (securities held for trading)	-	-	-
D Liquidity (A+B+C)	1.283	3.054	911
E Receivables from financing activities	-	-	-
F Bank overdrafts and short-term bank borrowings	-	-	-
G Current portion of long-term borrowings	-	-	-
G Current portion of long-term lease liability IFRS 16	(120)	(127)	(117)
H Other short-term borrowings	-	-	-
I Debts and other current financial liabilities (F+G+H)	(120)	(127)	(117)
J Current financial position, net (D)+(E)+(I)	1.163	2.927	795
K Long-term bank borrowings	-	-	-
L Bonds	-	-	-
M Other long-term borrowings	-	-	-
M Long-term lease liability IFRS 16	(93)	(118)	(140)
N Debts and other non current financial liabilities (K+L+M)	(93)	(118)	(140)
Net financial position (J)+(N)	1.070	2.809	655

Consolidated short and medium/long term net financial indebtedness

Net financial position <i>thousands of Euro</i>	March 31, 2021	December 31, 2020	June 30, 2020
A Cash and cash equivalents	83.805	88.966	110.875
B Cash and cash equivalents included as Assets held for sale	-	-	-
C Current securities (securities held for trading)	-	-	-
D Liquidity (A+B+C)	83.805	88.966	110.875
E Receivables from financing activities	-	-	-
F Bank overdrafts and short-term bank borrowings	(26)	(3.000)	(3.895)
G Current portion of long-term borrowings	(20.000)	(20.000)	(143.230)
G Current portion of long-term lease liability IFRS 16	(9.407)	(9.605)	(10.431)
H Other short-term borrowings	-	-	(102.463)
I Debts and other current financial liabilities (F+G+H)	(29.434)	(32.605)	(260.020)
J Current financial position, net (D)+(E)+(I)	54.371	56.362	(149.144)
K Long-term bank borrowings	(151.641)	(151.453)	-
L Bonds	-	-	-
M Other long-term borrowings	(93.474)	(93.474)	-
M Long-term lease liability IFRS 16	(33.108)	(33.504)	(39.389)
N Debts and other non current financial liabilities (K+L+M)	(278.222)	(278.431)	(39.389)
Net financial position (J)+(N)	(223.851)	(222.069)	(188.533)

3 Pro-forma economic, equity and financial effects

The following pro-forma consolidated financial statements have been prepared to illustrate retroactively, for illustration purposes and based on the information currently available, the relevant economic and financial effects of the Share Capital Increase, starting from the Consolidated Annual Financial Report as at December 31, 2020 (the “**Pro-forma Information**”) and subsequently applying the pro forma adjustments.

The pro-forma adjustments were made in order to detect the effects associated with the Share Capital Increase, as if the Share Capital Increase had virtually taken place on December 31, 2020, for the balance sheet effects only and on 1 January 2020 for the economic effects.

The accounting principles and assessment criteria adopted for preparing the Pro-forma Information, albeit with the limitations implied in the assumptions made, are consistent with those applied for preparing the Consolidated Annual Financial Report as at December 31, 2020.

The Share Capital Increase is represented as if it had already been executed and completed on the reference date for the preparation of the Pro-forma Information, without thereby wishing to represent that any of the effects related to this transaction should have been correctly reflected on that date and that such effects should be necessarily reflected in the subsequent periods. The underlying assumptions represent a conventional element: if the Share Capital Increase had really taken place on the reference date for the preparation of the Pro-forma Information, the same effects presented in the Pro-forma Information would not necessarily have been obtained. Therefore, in consideration of the different purposes, the Pro-forma Information could differ significantly from the representation that the Share Capital Increase could have in the consolidated financial statements of the Company at December 31, 2021 and in those referring to the subsequent periods, as these will be prepared on the basis of the methods, terms and conditions relating to the dates of reference.

It is worth underlying that the Pro-forma Information are not by their nature capable of representing the future economic and financial situation of the Group, given that they are prepared: (i) based on hypothesis and to retroactively reflect the effects of subsequent, irrelevant transactions as at the dates of the periods subject to pro-forma, despite compliance with the widely accepted accounting principles and the use of reasonable assumptions; and (ii) only to represent the isolated and objectively measurable effects of the execution of the Share Capital Increase, without taking into account the potential effects due to variations in the policies of the Group and operational decisions subsequent to the execution of the Share Capital Increase.

Pro-forma net financial indebtedness as of December 31, 2020

Net financial position <i>thousands of Euro</i>	December 31, 2020	Pro-forma adjustments	December 31, 2020 pro-forma
A Cash and cash equivalents	88.966	38.526	127.493
B Cash and cash equivalents included as Assets held for sale	-	-	-
C Current securities (securities held for trading)	-	-	-
D Liquidity (A+B+C)	88.966	38.526	127.493
E Receivables from financing activities	-	-	-
F Bank overdrafts and short-term bank borrowings	(3.000)	-	(3.000)
G Current portion of long-term borrowings	(20.000)	-	(20.000)
G Current portion of long-term lease liability IFRS 16	(9.605)	-	(9.605)
H Other short-term borrowings	-	-	-
I Debts and other current financial liabilities (F+G+H)	(32.605)	-	(32.605)
J Current financial position, net (D)+(E)+(I)	56.362	38.526	94.888
K Long-term bank borrowings	(151.453)	-	(151.453)
L Bonds	-	-	-
M Other long-term borrowings	(93.474)	93.474	-
M Long-term lease liability IFRS 16	(33.504)	-	(33.504)
N Debts and other non current financial liabilities (K+L+M)	(278.431)	93.474	(184.957)
Net financial position (J)+(N)	(222.069)	132.000	(90.069)

Should the Share Capital Increase be fully subscribed for its total maximum amount:

- the net financial indebtedness of the Group is reduced by Euro 132 million (net of costs of the Shares Capital Increase, which on a preliminary basis have been estimated at about Euro 3 million), of which Euro 93.5 million due to the reduction of the amount of the outstanding debts as of December 31, 2020 related to the Multibrands Facility and, for the rest, due to the increase of available cash by Euro 38.5 million;
- the consolidated net equity of the Group, equal to approximately Euro 186.4 million as of December 31, 2020, is increased (gross of related tax effects) by Euro 132 million (*i.e.*, the maximum total amount of newly issued shares net of the preliminary estimated costs related to the Share Capital Increase) and will be equal to approximately Euro 318.4 million.

With regard to the pro-forma effects related to the consequences of the Share Capital Increase on the economic performance of the Group, assuming the full subscription of the Share Capital Increase for the maximum amount resolved, the effect related to lower pro-forma financial expenditure on the Group's economic performance for the year ended on 31 December 2020 is equal to approximately Euro 3.9 million, as if the Capital Increase had virtually been subscribed on January 1, 2020, upon repayment of the Multibrands Facility. In particular, the estimate of such amount includes the lower financial expenditure for interest expenses relating to the Multibrands Facility in the 2020, gross of related tax effects.

4 Shareholders who expressed their willingness to subscribe the Share Capital Increase

Multibrands, a subsidiary of HAL, which holds 49.843% of the Company's share capital, has favorably assessed the project and on June 29, 2021 has executed with the Company an agreement relating to the subscription of the shares arising from the Share Capital Increase ("**Multibrands Agreement**").

In particular, the Multibrands Agreement governs Multibrands' undertaking: (a) to subscribe for and pay the new shares underlying the option rights relating to its existing holding of the Company's share capital (the "**Existing Shares Undertaking**"), as well as (b) upon agreement with the

Company as to the issue price of the shares to be issued in the context of the Share Capital Increase, to subscribe for and pay in cash also all the new Shares that may be unsubscribed at the end of the offer of the unexercised rights on the stock exchange pursuant to Article 2441, third paragraph, of the Italian Civil Code (the “**Unsubscribed Shares Undertaking**” and, together with the Existing Shares Undertaking, the “**Multibrands Undertaking**”).

The Multibrands Undertakings are subject to the following conditions (which may be waived by Multibrands): (i) that all the necessary resolutions are taken by the internal bodies of the Company and by the competent authorities for the purpose of performing the Share Capital Increase; (ii) the drafting of the Prospectus in compliance with the applicable regulations; (iii) if any irrevocable commitments of other Company’s shareholders exists and is disclosed in the Prospectus, that such additional shareholders’ commitments remain in full force and effect; (iv) that the shares of the Company remain listed on the *Mercato Telematico Azionario*, organised and managed by Borsa Italiana S.p.A. and (v) the completeness and correctness of the representations and warranties made by the Company to Multibrands.

Moreover, Multibrands shall have the right to withdraw from the Multibrands Agreement (occurrence which would result in the termination of the Multibrands Undertaking) in case of (i) a material adverse change relating to the Company or to its Group, (ii) non-compliance by the Company with its representations, warranties and undertakings, (iii) material adverse change in the financial markets and force majeure, and/or (iv) for the case in which the above conditions will be no longer capable of being satisfied (and have not been waived).

As consideration for the Unsubscribed Shares Undertaking, the Company will pay to Multibrands 2% of the final amount of the Share Capital Increase, as determined on the basis of the issue price and the number of new shares to be issued, deducted the counter value of the new shares to be subscribed by Multibrands in accordance with the Unsubscribed Shares Undertaking and the counter value of the new shares to be subscribed under any irrevocable commitments of other Company’s shareholders (if any) which are disclosed in the Prospectus. In any event such consideration shall not exceed Euro 1,354,320. Such consideration will be paid if the Multibrands Agreement, which sets out the terms of the Unsubscribed Shares Undertaking, is not resolved and the Share Capital Increase is completed within the maximum deadline of April 30, 2022, subject to possible extension to be agreed between the parties.

The performance of the Multibrands Undertaking is not backed by any form of guarantee of the exact performance of its obligations.

The Company has also pledged to reimburse to Multibrands all costs and expenses reasonably incurred in relation to the Multibrands Agreement, its execution and the fulfilment of its foreseen obligations, including, *i.e.*: fees and expenses due to any type of authority, also including legal, financial and tax advisors, up to a maximum amount of Euro 250,000.00.

The execution of the Multibrands Agreement has been considered transaction with related parties of lesser importance and, as such, it was approved by the Board of Directors on June 29, 2021 on the basis of the favourable opinion of the Transactions with Related Parties Committee dated June 25, 2021, on the interest of the Company in entering into the Multibrands Agreement and on the convenience and substantial fairness of the relevant terms and conditions. In order to qualify such transaction as a transaction with related parties of lesser importance, the Equivalent-Value Relevance Ratio was applied (given by the ratio between the counter value of the transaction and the capitalization of Safilo recorded at the end of the last trading day in the period covered by the latest published accounting document, *i.e.* December 31, 2020), such ratio being equal to 0.7% and therefore below the relevant threshold of 5%.

5 Underwriting syndicate

As of the date of this Report, no underwriting and/or placement syndicates has been established.

6 Other forms of placement

Given that it is a rights' offering, the shares resulting from the Share Capital Increase will be offered directly by the Company. No other forms of placement are envisaged.

The rights (if any) not exercised at the end of the subscription period will be offered on the Italian Stock Exchange in accordance with Article 2441, paragraph 3, of the Italian Civil Code.

For further details in relation to the Multibrands Undertaking, please refer to the previous paragraph 4.

7 Issue price of shares resulting from the Share Capital Increase

The proposal submitted for approval to the Shareholders Meeting provides for the issue price of shares resulting from the Share Capital Increase to be calculated by the Board of Directors in the run-up to the launch of the rights offering, taking into account, inter alia, market conditions in general and the trend of the Company's share price and volumes, expressed on the stock exchange, as well as the Company's economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology, in accordance with market practices for similar operations.

The proposal also provides for the Board of Directors to be assigned all the powers needed to define the timeframe for executing the Share Capital Increase resolution as well as the issue price of new shares (including any share premium) in accordance with the above criteria, the number of new shares to be issued and the option ratio.

The proposal to assign powers is motivated by the need to put the Board of Directors in the condition to be able to execute the Share Capital Increase in the best way possible, with specific reference to the issue price for new shares, in order to ensure the success of the transaction, taking into account the uncertainty and instability of the markets.

8 Planned period for the execution of Share Capital Increase

The Board of Directors will determine the timeframe for the launch of the rights offering, as well as the subsequent offer on the Italian Stock Exchange of any unexercised rights upon termination of the subscription period, without prejudice to the deadline of April 30, 2022 for performance of the Share Capital Increase.

When deciding on the aforementioned timeframe, the Board of Directors will also take into account the technical time needed for CONSOB to approve the Prospectus.

In consideration of the current market situation, the Company intends however to complete the Share Capital Increase as soon as possible (during the second half of 2021, if possible), subject to corporate and regulatory approvals.

9 Share dividends deriving from the Share Capital Increase

The newly-issued shares resulting from the Share Capital Increase will grant their holders with the same rights as Company shares already in circulation, as from their issue date.

10 Effects of any dilution on the unit value of shares

The newly-issued shares resulting from the Share Capital Increase will be offered in option to the Company's shareholders pursuant to Article 2441, paragraph 1, of the Italian Civil Code and therefore there are no dilution-related effects in terms of overall share capital interest for the shareholders that would entirely exercise their option rights.

On the contrary, shareholders not subscribing the offer in option in relation to their pertaining quota shall undergo a dilution of their own interest following the issue of new shares which is not quantifiable at present, given that the issue price and exact number of shares to be issued will be determined by the Board of Directors only in the run-up to the launch of the rights offering for new shares resulting from the Share Capital Increase.

It should also be noted that the shareholders (i) not subscribing the offer in option in relation to their pertaining quota; and (ii) not selling option rights belonging to them during the negotiation period of the option rights, would suffer a loss equal to the value of such option rights belonging to them.

The non-subscription by the shareholders of the Company of the offer in option for their pertaining quota may trigger the subscription by Multibrands of the remaining shares, if any, (at the same price of the offer in option, which reflects the discount on the theoretical ex right price – TERP of the existing shares applied according to market practices for similar transactions) pursuant to the Unsubscribed Shares Undertaking and, therefore, it would cause an increase, potentially material, of the overall shareholdings of Multibrands in the Company's share capital.

11 Group incentive plans

In general terms, the Share Capital Increase is an extraordinary transaction on the capital of a company that may require the application of adjustment factors aimed at ensuring continuity in the historic series of prices or the adjustment of contractual terms, maintaining a neutral situation for the holders of the financial instruments concerned.

As is known, the Company has adopted shares incentive plans intended for the Group's staff, aimed at aligning the interests of the management with those of the shareholders, by remunerating the creation of long-term value, and, at the same time, motivating and retaining the Group's strategic resources.

As at the date of this Report the following Stock Option Plans are in force:

- Stock Option Plan 2014 – 2016
- Stock Option Plan 2017 – 2020
- Stock Option Plan 2020 – 2022

Specifically, the Stock Options granted under the above-mentioned Plans in place as at the date of this Report (the "**Granted Stock Options**"), along with the number of ordinary shares which – if exercised – will have to be issued at the respective expiry dates (the "**Underlying Shares**"), are detailed in the following table:

Stock Option Plans	Granted Stock Options	Underlying Shares	Expiry date of the Stock Option Plans
Stock Option Plan 2014 – 2016	218,220	218,220	May 31, 2022
Stock Option Plan 2017 – 2020	976,000	976,000	May 31, 2027
Stock Option Plan 2020 – 2022	7,000,000	7,000,000	June 30, 2030

Stock Option Plans	Granted Stock Options	Underlying Shares	Expiry date of the Stock Option Plans
Total	8,194,220	8,194,220	

Therefore, the total maximum number of ordinary shares to be issued in the event of the total exercise of the Granted Stock Options is, as at the date of this Report, theoretically equal to no. 8,194,220.

As mentioned and as provided for in the Stock Plans Terms and Conditions, in case of extraordinary transactions such as a Share Capital Increase, the Board of Directors is required to align the number of shares and/or the subscription price of the shares.

To this aim it is necessary to identify an adjustment ratio that may constitute the parameter to calculate the possible adjustments concerning the exercise price of the Granted Stock Options and the number of the shares to be issued in case of exercise of relevant rights.

This adjustment ratio, in the context of a rights issue, is normally identified as the so-called factor K, calculated as follows:

$$K = \frac{\text{TERP}}{\text{P cum}}$$

where:

TERP = ex-right theoretical price = $[(P \text{ cum} * O) + (P \text{ sub} * N)] / (O + N)$

P cum = cum-right latest price

P sub = subscription price for one new share

O = number of existing shares

N = number of newly issued shares

From the above, it appears that the adjustment K factor can only be calculated once, on one hand, the issue price of the new shares stemming from the Share Capital Increase has been determined and, on the other hand, the final “*cum-right*” price of existing shares is known, as well as the ex-right theoretical price. Such information will be available only close to the beginning of the rights offering relating to the Share Capital Increase.

In this regard, Borsa Italiana S.p.A. will calculate and publish, on the trading day prior to the start of the Share Capital Increase, an adjustment factor K in relation to the prices of the Safilo ordinary shares as a result of the Share Capital Increase (the “**Adjustment Factor**”).

In relation to the above, it is hereby proposed that – in order to integrate the share capital increases approved by the Shareholders’ Meeting respectively on April 15, 2014, April 26, 2017 (as integrated on April 24, 2018 and on April 30, 2019, respectively) and April 28, 2020 - the Shareholders’ Meeting resolve upon the modification of the powers delegated to the Board of Directors on the dates referred to above so as to grant to the same Board of Directors all powers which are required in order to make (after the execution, even partial, of the Share Capital Increase) all suitable adjustments related to said share capital increases applying the Adjustment Factor to the Underlying Shares, without prejudice to any appropriate rounding, and that the Shareholders’ Meeting grant the Board

of Directors with all the powers necessary to amend Article 5 of the Company's By-laws as a result of the Board resolutions adopted pursuant to the above.

12 Amendments to the Bylaws

The approval of the proposal for the Share Capital Increase results in the modification of Article 5 of the Articles of Association. The following is the text of Article 5 of the Articles of Association for which the change is proposed in the current version and in the version proposed.

<i>Current text</i>	<i>Proposed text</i>
<p>Share capital amounts to Euro 349,943,372.53 (three hundred forty-nine million nine hundred forty-three thousand three hundred seventy-two/53) divided into no. 275,703,846 (two hundred seventy-five million seven hundred and three thousand eight hundred forty-six) ordinary shares without any indication of par value. Option rights may be excluded, in respect of the capital increase, up to the limit of ten per cent of existing capital, on the condition that the issue price corresponds to the market value and this is confirmed in a report by the Company's auditors, pursuant to article 2441, paragraph 4, point 2, of the Italian Civil Code. By virtue of what has been specified above, the extraordinary meeting of April 15th, 2014 resolved to increase the share capital by a maximum value of Euro 7,500,000.00 (seven million five hundred thousand/00) by issuing new ordinary shares for an amount up to a maximum of no. 1,500,000 (one million five hundred thousand/00) without any indication of par value, to be offered for subscription to directors and/or employees of the Company and its subsidiaries. On April 26, 2017, the extraordinary general meeting resolved to increase the share capital, in cash and in more tranches, by a maximum value of Euro 12,500,000.00 (twelve million five hundred thousand/00) attributable to the entire share capital by issuing new ordinary shares for an amount up to a maximum of no. 2,500,000 (two million five hundred thousand) without any indication of par value, having the same characteristics as those already issued, with regular enjoyment, with the exclusion of the option right pursuant to article 2441, paragraph 4, second part of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2017-2020 Stock Option Plan, at a certain</p>	<p>Share capital amounts to Euro 349,943,372.53 (three hundred forty-nine million nine hundred forty-three thousand three hundred seventy-two/53) divided into no. 275,703,846 (two hundred seventy-five million seven hundred and three thousand eight hundred forty-six) ordinary shares without any indication of par value. Option rights may be excluded, in respect of the capital increase, up to the limit of ten per cent of existing capital, on the condition that the issue price corresponds to the market value and this is confirmed in a report by the Company's auditors, pursuant to article 2441, paragraph 4, point 2, of the Italian Civil Code. By virtue of what has been specified above, the extraordinary meeting of April 15th, 2014 resolved to increase the share capital by a maximum value of Euro 7,500,000.00 (seven million five hundred thousand/00) by issuing new ordinary shares for an amount up to a maximum of no. 1,500,000 (one million five hundred thousand/00) without any indication of par value, to be offered for subscription to directors and/or employees of the Company and its subsidiaries. On April 26, 2017, the extraordinary general meeting resolved to increase the share capital, in cash and in more tranches, by a maximum value of Euro 12,500,000.00 (twelve million five hundred thousand/00) attributable to the entire share capital by issuing new ordinary shares for an amount up to a maximum of no. 2,500,000 (two million five hundred thousand) without any indication of par value, having the same characteristics as those already issued, with regular enjoyment, with the exclusion of the option right pursuant to article 2441, paragraph 4, second part of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2017-2020 Stock Option Plan, at a certain</p>

<p>exercise price, equal to the volume weighted average of the official price of the Safilo Group's shares registered on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. (Mercato Telematico Azionario) for the preceding month leading up to the granting of options (therefore the period starting from the day preceding the Board of Directors' meeting which resolves the granting of options and ending on the same day of the previous calendar month, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average). On April 28, 2020, the extraordinary shareholders' meeting resolved to issue, without capital increase, up to a maximum number of 7,000,000 (seven million) ordinary shares without any indication of par value, having the same characteristics as those already issued, with exclusion of the pre-emption right pursuant to Article 2441, Paragraph 8, of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2020-2022 Stock Option Plan, at an issue price, fully charged to the share premium reserve, equal to the volume weighted average (rounded down to the second decimal place) official price of the Company shares for the preceding month leading up to the day on which the Board of Directors resolves the assignment of the Options under the Plan (therefore, it means the period starting from the day preceding the Board of Directors' meeting which resolves the assignment and ending on the same day of the previous calendar month, being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average).</p>	<p>exercise price, equal to the volume weighted average of the official price of the Safilo Group's shares registered on the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A. (Mercato Telematico Azionario) for the preceding month leading up to the granting of options (therefore the period starting from the day preceding the Board of Directors' meeting which resolves the granting of options and ending on the same day of the previous calendar month, it being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average). On April 28, 2020, the extraordinary shareholders' meeting resolved to issue, without capital increase, up to a maximum number of 7,000,000 (seven million) ordinary shares without any indication of par value, having the same characteristics as those already issued, with exclusion of the pre-emption right pursuant to Article 2441, Paragraph 8, of the Italian Civil Code, to be offered for subscription to the beneficiaries of the 2020-2022 Stock Option Plan, at an issue price, fully charged to the share premium reserve, equal to the volume weighted average (rounded down to the second decimal place) official price of the Company shares for the preceding month leading up to the day on which the Board of Directors resolves the assignment of the Options under the Plan (therefore, it means the period starting from the day preceding the Board of Directors' meeting which resolves the assignment and ending on the same day of the previous calendar month, being understood that, during the aforesaid period, only trading days will be taken into account to determine the weighted average).</p> <p>On July 30, 2021 the extraordinary shareholders' meeting resolved to increase the share capital, in divisible form, for consideration in compliance with the option right pursuant to Article 2441, paragraph 1, of the Italian Civil Code, up to a maximum amount of Euro 135,000,000 (one hundred and thirty-five million), including any share premium, through the issuance of ordinary shares without any indication of par value with the same characteristics as those in</p>
---	--

	<p>circulation to be subscribed by April 30, 2022 at a unit price calculated taking into account, inter alia, market conditions in general and the trend of the Company's share price and volumes, expressed on the stock exchange, as well as the Company's economic, financial and capital performance and market practice for similar transactions.</p> <p>Without prejudice to the above criteria, the issue price will be calculated by applying, in accordance with market practices for similar transactions, a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology.</p>
--	--

13 Withdrawal right

The amendments to the Company's Bylaws as illustrated in this Report shall not result in the right of withdrawal for the shareholders pursuant to Article 2437 of the Italian Civil Code or to the Bylaws.

If you agree with the above proposal, you are invited to resolve as follows:

"The Extraordinary Shareholders' Meeting of Safilo Group S.p.A:

- *having examined the illustrative report by the Board of Directors and the proposals formulated therein;*
- *having acknowledged the certification of the Board of Statutory Auditors that the share capital equal to 349,943,372.53 (three hundred forty-nine million nine hundred forty-three thousand three hundred seventy-two/53) is fully subscribed, paid-in and existing;*

hereby resolves

- 1) *to approve the proposed divisible increase in share capital for consideration up to a maximum amount of 135 million Euro, including any share premium, through the issue of new ordinary shares without any indication of par value, with the same characteristics as those in circulation and paying regular dividends, to be offered in option to Company shareholders, pursuant to Article 2441, paragraph one, two and three of the Italian Civil Code, in proportion to the number of shares held, at a unit price calculated taking into account, inter alia, market conditions in general and the trend of the Company's share price and volumes, expressed on the stock exchange, as well as the Company's economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying a discount to the so-called Theoretical Ex- Right Price (TERP) of existing shares, calculated using current methodology;*
- 2) *to set April 30, 2022 as the deadline for execution of the Share Capital Increase and to establish, pursuant to Article 2439, subsection two of the Italian Civil Code, that the Share Capital Increase, where not subscribed in full, shall be limited to the amount resulting from subscriptions made by the above deadline;*

- 3) *to grant the Board of Directors with the broadest powers to define the timeframe for the execution of the Share Capital Increase resolution, especially for the launch of the rights offering, as well as subsequent offer on the stock exchange of any rights left unexercised upon termination of the subscription period, in compliance with the deadline set by the Shareholders' Meeting, i.e. April 30, 2022, as well as to determine, in the run-up to the launch of the offer;*
 - (i) *the final amount of the Share Capital Increase, within the limits of the maximum amount of 135 million Euro;*
 - (ii) *the issue price of the newly-issued shares and, therefore, the portion of issue price to be in case allocated to the share premium reserve;*
 - (iii) *as a result of what is defined under points (i) and (ii), the maximum number of newly-issued shares and the ratio of assignment in option, rounding off as needed with regard to the number of shares;*
- 4) *to amend Article 5 of the current Company Bylaws by inserting a new subsection, in accordance with the following wording: "On July 30, 2021 the extraordinary shareholders' meeting resolved to increase the share capital divisible for consideration in compliance with the option right pursuant to Article 2441, paragraph 1, of the Italian Civil Code, up to a maximum amount of Euro 135,000,000 (one hundred and thirty-five million), including any share premium, through the issuance of ordinary shares without any indication of par value with the same characteristics as those in circulation to be subscribed by April 30, 2022 at a unit price calculated taking into account, inter alia, market conditions in general and the trend of the Company's share price and volumes, expressed on the stock exchange, as well as the Company's economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying, in accordance with market practice for similar transactions, a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology.";*
- 5) *to amend the resolutions approved respectively on April 15, 2014, April 26, 2017 (as integrated on April 24, 2018 and on April 30, 2019, respectively) and April 28, 2020, pursuant to which the capital increases serving the incentive plans of the Company in force and under execution as at the date hereof (Stock Option Plan 2014 – 2016, Stock Option Plan 2017 – 2020 and Stock Option Plan 2020 – 2022) were approved, granting to the Board of Directors all powers, without any exclusion or limitation, required to carry out, (after the execution, even partial, of the capital increase under the only item on today's agenda) all suitable adjustment of the number of shares to be issued pursuant to the incentive plans referred to above and up to the maximum amount resulting from the application of the adjustment ratio identified as the so-called factor K, which will be published by Borsa Italiana S.p.A.; and also granting to the Board of Directors all powers required to amend Article 5 of the Company's By-laws as a result of the Board resolutions adopted pursuant to the above. All as illustrated in the Board of Director's Report prepared by same for the purposes of this Shareholders' Meeting, it being understood that all other terms and conditions of the delegations of powers approved by Shareholders' Meeting referred to above are unchanged;*
- 6) *to grant the Board of Directors and the Chairman and the Chief Executive Officer on its behalf, also severally, with the broadest powers to implement the above resolutions for the success of the transaction, including, by way of example and not limited to, the powers to:*
 - (i) *formulate and submit all documents required for the purpose of executing the resolved capital increase, and to fulfill all formalities needed to perform the subscription offer and for admission and listing of the newly-issued shares on the*

- MTA – Italian Equities Market organized and managed by Borsa Italiana S.p.A., including the powers to formulate and submit to the relevant authorities any application, claim, document or prospectus needed or appropriate for such purpose;*
- (ii) *make any amendments and/or supplements which may prove necessary and/or appropriate to the resolutions adopted, including further to requests by relevant authorities or during registration and, generally speaking, to perform all actions needed for complete execution of the resolutions, with all and any powers needed or appropriate to this end, with no exceptions, including the task of filing the updated Company Bylaws including the amendment of the share capital with the relevant Companies Register.”*

Padua, 8 July 2021

**For the Board of Directors
Eugenio Razelli
Chairman**